

AREA 09 EXPENSE AND BUDGET POLICY

A. **PURPOSE:** To ensure that Area 09 remains fiscally responsible, maintaining a prudent but not excessive reserve, in the spirit of the 7th Tradition.

B. BUDGET DEVELOPMENT:

1. The Area 09 Finance Committee shall solicit budget requests from each Area 09 service position holder. The Finance Committee shall provide budget requests packets to the committee chairs, co-chairs and Area 09 Officers appropriate to each budget line item by June 30th.
2. The Finance Committee members are appointed as “Liaisons” to other committee and the Area 09 Officers. A liaison’s duties include communicating matters affecting the Finance Committee or Area 09 to and from their respective committees and officers.
3. The budget packets shall include accurate information including the actual and budgeted expenses and budget history for the current year along with a request form for the upcoming year’s budget requirements.
4. The appropriate service position holders shall complete these packets taking into consideration that service position activity requirements for the forthcoming year and budget history. The Finance Committee will distribute the packets through liaisons. They will be due back to the Finance Committee Chair by the September Area meeting.
5. The Finance Committee Chair shall compile the budget requests into a summary document for review by the Finance Committee by October.
6. The Finance Committee shall consider the proposed budget to conform to the group conscience and or the Area 09 Assembly’s financial priorities.
7. The Finance Committee shall present the final budget proposal to the Area 09 Executive Committee by December to be placed before the Assembly in January.
8. Budgets will be reviewed on a consistent basis.
9. A prudent reserve, approximately equal to one-month’s average Area 09 operating expense in the previous calendar year shall be maintained in a separate account.

C.BUDGET OVERRIDES:

1.PURPOSE: Provide guidelines for Area 09 to handle budget overrides.

2.Guidelines for budget override requests:

<u>Percent of Budget Override</u>	<u>Action of Requester</u>	<u>Action of Treasurer/Finance Committee</u>
5% over budgeted amount	Submit expense report to Area 09 Treasurer	Treasurer disburse check through normal methods
6% - 15% over approved budgeted amount	Requester shall present any of the following to Area 09 Finance Committee for review and recommendation: <ul style="list-style-type: none"> •Information about increased expenses •Executive Committee recommendation •Proposed action to reduce cost 	<ul style="list-style-type: none"> •Recommend to Assembly •Recommend to Executive Committee •Move to Area 09 Treasurer to issue check
15% over approved budget	Goes direct to Executive Committee and Assembly	<ul style="list-style-type: none"> •Treasurer takes action as directed by Assembly

D.EXPENSE REIMBURSEMENT

1.Requester shall submit to Area 09 Treasurer for reimbursement a 'Statement Of Expense' form with receipts attached. Expense requests shall be submitted in a timely manner.

2.Approved travel and lodging expenses for Non-Area 09 events (e.g. PRAASA and the Regional Forums) will be funded as a separate line expense.

3.Questions of whether an expense is appropriate for a specific line item shall be addressed to the Area 09 Treasurer. In the event of a dispute, the Finance Committee will discuss the issue and make a recommendation.

4.Reimbursement checks from Area 09 to be cashed within 90 days.

E. AREA 09 EQUIPMENT INVENTORY

1. **DEFINITION:** Inventory items consist of any Area 09 equipment used specifically for Area 09 business and operations. (A complete list of Area 09 equipment is available from the Area 09 Finance Committee.)
2. **PURPOSE:** To establish an Area 09 guideline for the acquisition, internal accounting management, including location and user of equipment to maintain continuity of memory for Area 09 servants.
3. **INVENTORY DEFINITIONS:**
 - a) **Computers:** All parts of the equipment, both hardware / software, are considered part of the equipment, whether attached or not.
 - b) **Software:** Software that is not installed at the time of purchase will be inventoried separately.
 - c) **Other Acquisitions:** Items with an expected useful life of more than 1 year. (Example – Office furniture, cameras, audio visual equipment etc.)
4. **INVENTORY PURCHASE REQUESTS:** A purchase request shall be submitted to the Area 09 Finance Committee for recommendation prior to purchase with three (3) estimates along with meaningful descriptions.
5. **NON-INVENTORY PURCHASES:** Purchases for necessary maintenance, repair, and upkeep of equipment which does not add to the permanent value of the equipment nor appreciably prolongs its intended life, are not recorded as an inventoried purchase.
6. **EMERGENCY REPLACEMENT PURCHASES:** Purchases will come up from time to time that are of an emergency nature, e.g. equipment breakage that is unrepairable and needs immediate replacement. These purchases require review of the Finance Committee for recommendation to the Area 09 Executive Committee as follows:
 - a) **Repair possibility:** Due diligence must be used to determine if equipment can be repaired. A professional evaluation should be obtained. If the cost to assess and repair the equipment is substantially less than the replacement cost, the Finance Committee will recommend repair.
 - b) If equipment is to be replaced, requester will submit three (3) estimates of replacement cost with full descriptions to the Finance Committee to evaluate.
 - c) Emergency purchases must be voted on by the Finance Committee and recommended to the Executive Committee

INVENTORY DISPOSAL: Any equipment that no longer has a useful purpose shall be disposed of and cleared from the inventory.